

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2001-342-E - ORDER NO. 2001-889  
SEPTEMBER 4, 2001

IN RE: Request of Carolina Power & Light Company ) ORDER APPROVING  
for Approval of Residential Service ) EXPERIMENTAL  
(Experimental Prepaid Power) Schedule RPP- ) SCHEDULE *DW*  
2. )

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of Carolina Power & Light Company (CP&L or the Company) for approval of its Residential Service (Experimental Prepaid Power) Schedule RPP-2 and CP&L's South Carolina Experimental Prepaid Power Program. Further, the Company asks for waiver of certain Commission rules which are inconsistent with the procedures needed to implement a prepaid power program, including Rules 103-321, 103-339, and 103-352. Further, CP&L requests a temporary waiver of the Commission's requirement whereby sales and franchise type taxes are separately line-itemed on Prepaid Power Program customers' receipts. Because of the following reasoning, all of the Company's requests are approved as filed.

Schedule RPP-2 is an experimental schedule available to a maximum of 50 residential customers volunteering in those areas where CP&L will offer prepaid power service. Initially, CP&L plans to offer prepaid power service in or around the Florence, South Carolina area. The experiment would begin September 15, 2001 and continues through December 31, 2002, unless extended or terminated by Order of the Commission.

According to CP&L, Schedule RPP-2 will be used in conjunction with a prepaid, “smart” card metering and billing system. The system uses a “smart” card reader in-house display unit in conjunction with a special electronic, electric meter to allow customers to pay for their electricity in advance. The charges a Prepaid Power customer would pay are similar to those a standard CP&L residential service customer would pay, except for an additional monthly charge of \$7.50 to cover the additional costs of the special prepaid meter and the in-house display unit over the costs of a standard meter installation. When the prepaid value on the customer’s meter decreases to an estimated four-day supply remaining, the in-house display unit begins alerting the customer of the need to prepurchase additional electricity. Should the value of the prepurchases go to zero, the service is disconnected until the customer purchases more on the smart card and uses the in-house display unit to transfer the amount to the customer’s meter; whereupon, the electricity is immediately reconnected.

The Company cites a number of potential benefits to this program. Electricity deposits are eliminated, as are late payment and reconnection charges. The likelihood of bank overdrafts and returned check charges is reduced. Prepaid Power allows the customer to pay for electricity on an other than monthly basis at the customer’s convenience and to make smaller, more frequent payments as the power is needed. The in-house display unit shows customers real-time consumption of electricity, as well as historical data, and helps eliminate wasteful consumption. Prepaid Power is also an alternative for those customer situations where there is limited access to the electric meter

for meter reading purposes. We believe that these potential benefits are worthwhile, and in the public interest.

As noted by CP&L, existing Commission Regulation Nos. 103-321, 103-339, and 103-352 were adopted by the Commission under the premise that customers would be billed and payment received monthly after electric service has been rendered. Also, these rules specify customer disconnection notice safeguards before termination of service. According to CP&L, the Prepaid Power Program is an alternative to monthly billing and payment and clearly meets or exceeds the intent of and safeguards contained in those rules.

Further, CP&L states that this Commission currently requires separate line items on customer's bills showing any applicable sales and franchise-type taxes. The prepaid power system being utilized by CP&L during the experiment does not currently have the capability to show separately itemized taxes on Prepaid Power Program customers' prepurchase receipts. Future upgrades of the software are expected to have the capability to print taxes as separate line items on customer receipts. The applicable taxes are actually deducted at the time the customer consumes the electricity from the customer's dollars that have been downloaded into the customer's prepaid power, according to CP&L.

Accordingly, CP&L requests the Commission's approval of Residential Service (Experimental Prepaid Power) Schedule RPP-2, the Prepaid Power Program, and a waiver of the Commission rules and policies necessary for the implementation of the

Prepaid Power Program. The Company also requests that the Prepaid Power Program and Schedule RPP-2 become effective September 15, 2001.

We would note that the schedule for which the Company requests approval is denominated “experimental.” S.C. Code Ann. Section 58-27-870 (F) (Supp. 2000) states that this Commission may put into effect rates or tariffs without notice and hearing upon order when such rates or tariffs are for experimental purposes. Clearly this is the case in the present situation, so we will proceed to make our ruling without notice or hearing.

We hold that the relief requested by the Company should be granted as filed. We agree that there are potential benefits as stated by CP&L. These benefits include elimination of deposits, late payment, and reconnection charges, and a reduction in bank overdrafts and return check charges to the consumer. Further, the program allows the customer to pay for electricity on an other than monthly basis at the customer’s convenience and to make smaller, more frequent payments as the power is needed. As stated before, we do agree that such benefits, as well as the others cited by the Company are worthwhile, and in the public interest.

We agree that Regulation Nos. 103-321, 103-339, and 103-352 should be waived, since such Regulations would not apply to a prepaid electricity situation such as that proposed by the Company. Under these circumstances, compliance with the regulations would certainly introduce unusual difficulty, and we believe that, for the experimental period, that it is in the public interest that the regulations be waived. See Regulation 103-301. Further, we waive temporarily our requirement whereby sales and franchise type taxes are separately line-itemed on Prepaid Power Program customers’ receipts, due to

the inability of the Company's system to carry out this function at this time. Once the ability to separately line-item these taxes becomes available, it shall be done, and the waiver of this item will be dissolved.

We therefore approve Residential Service (Experimental Prepaid Power) Schedule RPP-2, and the Prepaid Power Program effective **September 15, 2001**, with the experiment to continue until **December 31, 2002**, unless otherwise extended or terminated by Order of this Commission, and the waivers as noted.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)